



414 Nicollet Mall
Minneapolis, Minnesota 55401-1993

October 25, 2012

David Birkholz
Minnesota Department of Commerce
Suite 500
85 7th Place East
St. Paul, MN 55101-2198

RE: NORTHERN STATES POWER COMPANY APPLICATION TO THE MINNESOTA
PUBLIC UTILITIES COMMISSION FOR A ROUTE PERMIT FOR THE SOUTHWEST
TWIN CITIES SCOTT COUNTY – WESTGATE 115 kV TRANSMISSION LINE
REBUILD PROJECT
ALTERNATIVE PERMITTING PROCESS
MPUC DOCKET NO. E002/TL-11-948

RE: IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER DOING
BUSINESS AS XCEL ENERGY FOR A CERTIFICATE OF NEED FOR THE SCOTT
COUNTY - WESTGATE 115 kV TRANSMISSION LINE REBUILD PROJECT
MPUC DOCKET NO. E002/CN-11-332

Dear Mr. Birkholz:

Applicant Northern States Power Company, doing business as Xcel Energy, submits this request to amend the August 14, 2012 Environmental Assessment (“EA”) Scoping Decision for the Scott County –Westgate 115 kV Project (“Project”) to include an additional route alternative along Highway 5.

A. Proposed Project

The Project, as described in the Certificate of Need and Route Permit Applications, includes converting the existing double-circuit 115/69 kV transmission line to 115/115 kV operation from Scott County Substation to Structure #57 north of Bluff Creek Substation. Conversion to 115/115 kV operation will not require the rebuilding or replacement of any existing structures. The Project also includes rebuilding the existing single-circuit 69 kV to a single-circuit 115 kV line between Structure #57 to the Excelsior Substation, which will be converted for 115 kV use; rebuilding the line between Excelsior Substation and Deephaven Substation, which will also be converted for 115 kV use; and rebuilding the line between the Deephaven Substation and the Westgate Substation.

The need for the Project was identified in the *Southwest Twin Cities Phase 2 Study Update Review* dated July 8, 2011 (“Study”). As noted in this Study, the proposed Project is needed to address overload and low voltage conditions in the Project area when certain transmission lines are out of service.

B. Highway 5 Alternative

During the July 18, 2012 scoping meeting for the EA, two landowners requested that the EA evaluate the possibility of building a 115 kV line along Highway 5 to serve the need identified by the Company (“Highway 5 Alternative”) and not convert any of the 69 kV line through Excelsior and Deephaven to 115 kV. In response to this request from landowners, Xcel Energy conducted a preliminary engineering analysis for the Highway 5 Alternative. Xcel Energy’s preliminary analysis indicated that with some key additional transmission and distribution developments, the Highway 5 Alternative could possibly meet the identified needs but that additional engineering analysis was needed to confirm this initial assessment.

On August 14, 2012, the EFP issued the EA Scoping Decision for the Project. Based on the Company’s preliminary assessment, the Scoping Decision included the Highway 5 Alternative as a system alternative because it did not have enough information to determine if the route alternative could meet the stated need.

Following issuance of the EA Scoping Decision, the Company has continued to evaluate the Highway 5 Alternative. This evaluation included drafting an addendum to the engineering Study. Based on this further analysis, Xcel Energy has determined that the Highway 5 Alternative would initially require the following facilities:

- A new 115/69 kV substation in close proximity to the existing Bluff Creek substation (“New Substation”);
- A new 69 kV line from Structure #57 to the New Substation, and termination of the existing 69 kV line from Excelsior Substation into the New Substation;
- Operate the existing 115 kV transmission line from Scott County Substation to Structure #57 at 115 kV, by terminating it into the New Substation. The line currently operates at 69 kV;
- Operate the existing 115 kV line from Structure #57 to Westgate Substation along Highway 5 at 115 kV. It is built to double circuit, with both circuits capable of operating at 115 kV. Only one of the two circuits is currently operating at 115 kV and the other circuit is being used as a 34.5 kV distribution feeder;
- Construct a new 34.5 kV distribution feeder from Westgate Substation to replace the 115 kV line from Structure #57 to Westgate Substation which is currently operating at 34.5 kV;

- Upgrade the Westgate Substation 115/69 kV transformer, serving Excelsior and Deephaven substations, to 70 MVA or larger capacity; and
- Upgrade sections of the existing 69 kV line between Westgate and Deephaven substations to a higher capacity 69 kV line (68 MVA or higher).

Attachment 1 depicts the facilities required for the Highway 5 Alternative. Based on this additional engineering analysis, Xcel Energy has determined that the Highway 5 Alternative performs similar to the proposed Project in meeting identified electrical needs in the Project area. The two critical components of this alternative that makes it work are: 1) the development of the new 115/69 kV substation near the existing Bluff Creek substation and, 2) building a new 34.5 kV distribution line (potentially underground) from Westgate Substation to replace the existing 34.5 kV distribution line along Highway 5. This second component enables a 115 kV connection between the Westgate substation and the new 115 kV substation near Bluff Creek with minimal cost.

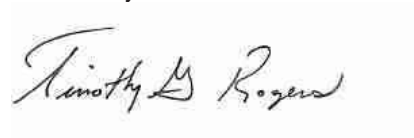
Based on the results of this additional engineering analysis, the Company believes that the Highway 5 Alternative could meet the needs identified in the Project area.

C. Conclusion

Xcel Energy respectfully requests that the EA Scoping Decision be amended to include a Highway 5 Route Alternative. **Attachment 1** depicts the Highway 5 Route Alternative.

Please call me at 612-330-1955 if you have any questions.

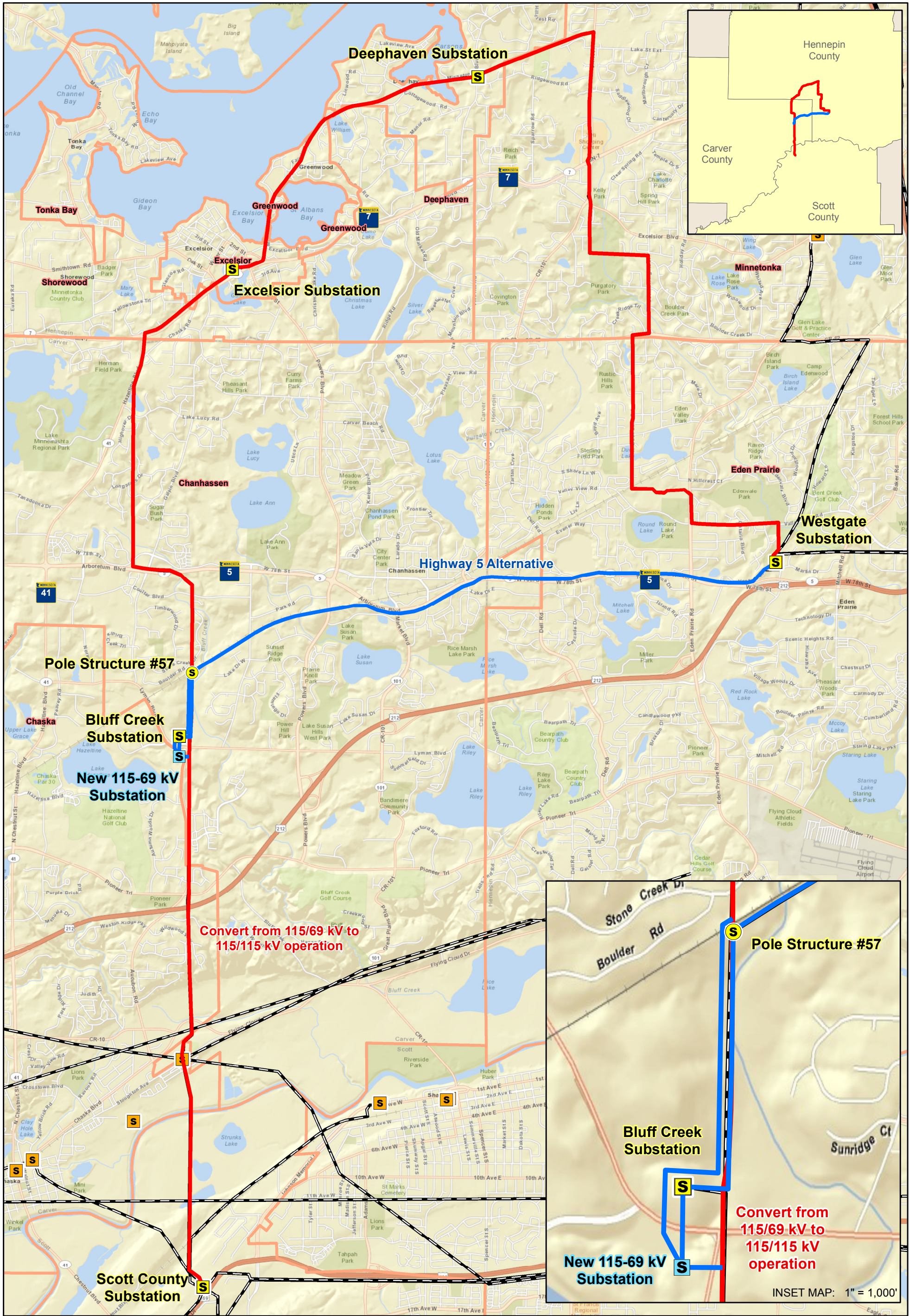
Sincerely,



Timothy Rogers
Supervisor, Siting and Permitting

Enclosures: Attachments 1

cc: Karen Hammel
Michael Kalzuniak



Scott County - Westgate 115kV Upgrade

Carver, Hennepin and Scott Counties, Minnesota

Highway 5 Alternative

